

December 6, 2024

*THIS LETTER SENT VIA EMAIL*

Abbie Totten, Chief Executive Officer  
Molina Healthcare of California  
200 Oceangate, Suite 100  
Long Beach, CA 90802

**NOTICE OF IMPOSITION OF MONETARY SANCTIONS FOR FAILURE TO MEET OR EXCEED MINIMUM PERFORMANCE LEVELS FOR MEDI-CAL MANAGED CARE ACCOUNTABILITY SET PERFORMANCE MEASURES**

Dear Abbie Totten,

The Department of Health Care Services (DHCS) sends this Notice of Imposition of Monetary Sanctions Letter on Molina Healthcare of California for failure to meet or exceed required minimum performance levels (MPLs) for measurement year 2023 (MY23)<sup>12</sup> Medi-Cal Managed Care Accountability Set (MCAS) performance measures (Exhibit A, Attachment 3, Quality Improvement System, section 2.2 External Quality Review Requirements).

On September 5, 2024, DHCS received validated MCAS measure rates from the External Quality Review Organization and confirmed that Molina Healthcare of California has 38 plan-wide measures below MPL across 3 domain(s) for MY23 (see Table 2 for enforcement tier designation triggers).

Molina Healthcare of California did not request a meet and confer conference with DHCS within two business days after the effective date of the Notice of Intent to Impose Monetary Sanctions Letter that was sent on October 25, 2024. This Notice of Imposition of Monetary Sanctions Letter supersedes the Notice of Intent to Impose Monetary Sanctions Letter and is made in accordance with W&I section 14197.7(g) and with the Quality Sanction Bulletin issued October 17, 2024. DHCS is imposing monetary sanctions for Molina Healthcare of California's failure to comply with its obligations set forth in the Medi-Cal managed care plan (MCP) contract. Under W&I section 14197.7(f)

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<sup>12</sup> Measurement Year 2023 (MY 2023) covered activities conducted from January 1, 2023, to December 31, 2023.



and the MCP contract, DHCS is authorized to impose a \$25,000 sanction per violation of Molina Healthcare of California’s contractual obligation to meet or exceed MPLs for each MCAS performance measure (Exhibit A, Attachment 3, Quality Improvement System, section 2.2 External Quality Review Requirements).

**The total sanction amount for Molina Healthcare of California is \$247,000 for the following 38 measures below the MPL for MY23:**

Quality Reporting Unit	Measures*	Domains*	MCP Rates	MPL	TRENDING Difference from HEDIS MY 2022	Population Impacted
Imperial	IMA-2	CH	33.33%	34.31%	3.29	194
	TFL-CH	CH	5.81%	19.30%	2.48	5,078
	W30-6	CH	43.48%	58.38%	-7.66	65
	WCV	CH	42.20%	48.07%	0.17	2,843
	AMR	CD	51.98%	65.61%	-10.66	97
	CCS	RC	52.80%	57.11%	0.98	1,615
	PPC-PRE	RC	71.62%	84.23%	-6.57	65
	PPC-PST	RC	74.24%	78.10%	0.58	59
Riverside/San Bernardino	CIS-10	CH	17.03%	30.90%	-0.49	1,691
	IMA-2	CH	26.03%	34.31%	-1.46	2,498
	LSC	CH	46.23%	62.79%	2.43	1,100
	TFL-CH	CH	16.03%	19.30%	15.41	51,723
	W30-2	CH	49.65%	66.76%	3.48	943
	W30-6	CH	22.09%	58.38%	-4.59	328
	WCV	CH	37.51%	48.07%	2.16	37,198
	AMR	CD	54.96%	65.61%	-1.71	259
	HBD	CD	43.31%	37.96%	-5.84	3,430
	BCS	RC	51.59%	52.60%	1.69	2,846
	CCS	RC	40.63%	57.11%	-0.98	18,191
	PPC-PRE	RC	73.27%	84.23%	-6.78	329
	PPC-PST	RC	69.78%	78.10%	-3.7	372
Sacramento	CIS-10	CH	23.60%	30.90%	-1.22	421
	LSC	CH	51.82%	62.79%	4.62	267
	TFL-CH	CH	13.10%	19.30%	10.43	14,066
	W30-2	CH	58.09%	66.76%	-0.91	233
	W30-6	CH	18.93%	58.38%	-23.33	197
	WCV	CH	42.30%	48.07%	-6.75	8,987

	AMR	CD	60.79%	65.61%	-2.37	109
	CBP	CD	58.88%	61.31%	-5.6	848
	HBD	CDC	43.55%	37.96%	3.4	1,351
	BCS	RC	37.47%	52.60%	-0.22	1,597
	CCS	RC	43.60%	57.11%	-1.79	5,717
	PPC-PRE	RC	76.38%	84.23%	-9.26	103
	PPC-PST	RC	69.72%	78.10%	-7.9	132
San Diego	LSC	CH	62.36%	62.79%	-3.58	1,201
	W30-6	CH	36.63%	58.38%	0.27	941
	AMR	CD	60.92%	65.61%	-2.69	508
	CCS	RC	54.33%	57.11%	-5.28	22,354

\*Please see Table 1 for acronym definitions

Successful administration of the Medi-Cal program requires a collaborative partnership between DHCS and MCPs. This collaboration includes the expectation that MCPs will meet or exceed their contractual and programmatic requirements on an ongoing basis. Molina Healthcare of California and DHCS regularly collaborated on strategies for improving the Plan’s MCAS performance measures required to meet or exceed MPLs (Exhibit A, Attachment 3, Quality Improvement System, section 2.2 External Quality Review Requirements).

As noted above, DHCS is authorized to impose sanctions for failure to meet or exceed MPLs for each MCAS performance measure. Molina Healthcare of California confirming failure to meet or exceed the MPLs as outlined in the contract creates good cause for DHCS to impose monetary sanctions (Exhibit A, Attachment 3, Quality Improvement System, section 2.2 External Quality Review Requirements; Exhibit E, Program Terms and Conditions, section 1.1.19 Sanctions; W&I § 14197.7(e)).

Pursuant to W&I section 14197.7 and in accordance with APL 23-012, DHCS has considered the factors set forth in W&I section 14197.7(f) and (g) in determining the sanction amount, including the following:

- Scope of the violations, which are determined by the number of eligible members impacted by the quality-of-care violation (e.g., the number of eligible members who did not receive the recommended preventive service).
- In determining the nature, scope, and gravity of the violation under W&I section 14197.7(g)(1), DHCS will consider the degree to which the MCP is below the MPL for the measure at issue and will increase sanction





Abbie Totten, CEO  
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Sincerely,

Sarah Lahidji  
Division Chief, Quality and Health Equity  
Quality and Population Health Management  
Department of Health Care Services

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**Quality & Population Health Management**

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P.O. Box 997413  
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Phone (916) 449-7400 | [www.dhcs.ca.gov](http://www.dhcs.ca.gov)

**State of California**  
Gavin Newsom, Governor



California Health and Human Services Agency

Signed by:

*Sarah Lahidji*

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Abbie Totten, CEO

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CC

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Director  
Department of Health Care Services

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State Medicaid Director  
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Enclosure

<b>TABLE 1: DOMAIN, MEASURE, &amp; ACRONYM</b>		
<b>Domain</b>	<b>Measure</b>	<b>Acronym</b>
<b>Children’s Health (CH)</b>	Child and Adolescent Well-Care Visits	WCV
	Childhood Immunization Status: Combination 10	CIS-10
	Developmental Screening in the First Three Years of Life	DEV
	Immunizations for Adolescents: Combination 2	IMA-2
	Lead Screening in Children	LSC
	Topical Fluoride for Children	TFL-CH
	Well-Child Visits in the First 30 Months of Life – 0 to 15 Months – Six or More Well-Child Visits*	W30-6+
	Well-Child Visits in the First 30 Months of Life – 15 to 30 Months – Two or More Well-Child Visits*	W30-2+
<b>Reproductive Health and Cancer Prevention (RC)</b>	Chlamydia Screening in Women	CHL
	Prenatal and Postpartum Care: Postpartum Care	PPC-Post
	Prenatal and Postpartum Care: Timeliness of Prenatal Care	PPC-Pre
	Breast Cancer Screening	BCS-E
	Cervical Cancer Screening	CCS
<b>Chronic Disease Management (CD)</b>	Asthma Medication Ratio	AMR
	Controlling High Blood Pressure	CBP
	Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%)*	HBD-H9*

\*A lower rate is better for this measure



<b>TABLE 2: QUALITY ENFORCEMENT TIER DESIGNATION TRIGGERS</b>			
<b>Enforcement Tiers</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
<b>Triggers</b>	One (1) measure below the MPL in any one (1) domain	Two (2) or more measures below the MPL in any one (1) domain	Three (3) or more measures below the MPL in two (2) or more domains
<b>Enforcement Action</b>	Not subject to monetary sanction	Subject to monetary sanction	Subject to monetary sanction

<b>TABLE 3: VIOLATION AND BENEFICIARY IMPACT (W&amp;I section 14197.7(g)(1))</b>		
<b>Severity/Beneficiary Impact</b>	<b>Violation per Measure</b>	<b>Severity Violation Factor</b>
Slight Violation	<1.00% below MPL	1.0
Minimal Violation	1.00% - 2.99% below MPL	1.1
Minor Violation	3.00% - 5.99% below MPL	1.2
Moderate Violation	6.00% - 10.99%	1.4
Moderately Severe Violation	11.00% - 15.99%	1.6
Severe Violation	16.00% - 20.99%	1.8
Extremely Severe Violation	≥21.00% below the MPL	2.0

<b>TABLE 4: TRENDING FACTOR (W&amp;I section 14197.7(g)(6))</b>		
<b>Degrees of Improvement</b>	<b>Trending Difference per Measure</b>	<b>Trending Factor</b>
Significant Worsening	>(-)15.01%	2.0
Moderately Significant Worsening	(-)15.00% - (-)11.01%	1.8
Moderate Worsening	(-)11.00% - (-)7.01%	1.6
Minimal Worsening	(-)7.00% - (-) 4.01%	1.4
Slight Worsening	(-)4.00% - (-) 0.01%	1.2
No Improvement	0.00 – 1.00%	1.0
Slight Improvement	1.01% - 4.00%	0.8
Minimal Improvement	4.01% - 7.00%	0.6
Moderate Improvement	7.01% - 11.00%	0.4
Moderately Significant Improvement	11.01% - 15.00%	0.2
Significant Improvement	≥15.01%	0.0



<b>TABLE 5: HPI IMPACT AND SANCTION REDUCTION</b>		
<b>Severity (Impact) of HPI (per county and MCP)</b>	<b>HPI Percentile</b>	<b>HPI Impact Factor (Sanction Reduction)</b>
Very High	0-9%ile	50%
High	10-19%ile	40%
Moderate	20-29%ile	30%
Low Moderate	30-39%ile	20%
Low	40-49%ile	10%

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**NOTICE OF APPEAL RIGHTS**

Molina Healthcare of California has the right to request a hearing in connection with any sanctions within fifteen (15) working days after the “effective date” of the sanctions letter. DHCS will stay the imposition of sanctions upon receipt of the request for a hearing until the effective date of a final decision from the Office of Administrative Hearings and Appeals (OAHA). Molina Healthcare of California may request a hearing by sending a letter so stating to the Office of Administrative Hearings and Appeals at the address below:

Chief Administrative Law Judge  
Office of Administrative Hearings and Appeals  
Department of Health Care Services  
3831 N. Freeway Blvd., Suite 200  
Sacramento, CA 95834

A copy of the hearing request must also be sent to:

Thomas Mahoney  
Quality and Health Equity Measurement Monitoring Section Chief  
Quality and Population Health Management  
Department of Health Care Services  
MS 0020  
P.O. Box 997413  
Sacramento CA 95899-7413

Judith Recchio  
Deputy Director and Chief Counsel  
Office of Legal Services  
Department of Health Care Services  
MS 0010  
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